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PROPOSAL TO RELOCATE THE HEADQUARTERS OF THE UNITED NATIONS VOLUNTEERS PROGRAMME FROM GENEVA TO BONN

Proposal of the Secretary-General to relocate the headquarters of the United Nations Volunteers programme from Geneva to Bonn

Report of the Advisory Committee on Administration and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Administrator of the United Nations Development Programme (UNDP) contained in document DP/1995/11 of 2 December 1994 on the proposal of the Secretary-General to relocate the headquarters of the United Nations Volunteers (UNV) programme from Geneva to Bonn. During its consideration of this matter, the Committee met with representatives of the Administrator, who provided additional information on the proposal.

2. The Administrator's report seeks the endorsement by the Executive Board of the offer from the Government of Germany for the relocation of the UNV programme from Geneva to Bonn from 1996 onwards. The Government of Germany made this offer in response to the Secretary-General's proposal of 8 October 1993 to relocate the UNV headquarters to Bonn. Furthermore, in accordance with the Secretary-General's request, the Administrator's report presents a summary of programme, administrative, human resources, financial and legal issues related to the transfer of the UNV headquarters to Bonn, which were reviewed by the United Nations in consultation with the Government of Germany. These issues were studied by a United Nations/UNDP working group, which included UNV representatives, in December 1993 and January 1994. In addition, consultations were held with representatives of Switzerland as required.

3. The Advisory Committee notes from paragraph 10 and annex II of document DP/1995/11 that the Government of Germany would provide substantial support for the establishment of UNV headquarters in Bonn, including, inter alia, doubling

the German contribution to the UNV programmes, suitable rent-free premises for UNV headquarters in Bonn, relocation and installation costs of UNV and its staff and their families moving from Geneva to Bonn, and the cost of German language courses, as well as measures to maintain staffing levels at UNV for a transitional period of four years, with funding of up to $4 million. Moreover, as indicated in annex II, Germany is seeking a headquarters agreement with the United Nations, along the lines of those of other locations in Europe, and is willing to provide access to the German labour market to dependents of UNV employees, without further requirements for work permits.

4. As indicated in paragraph 13, the Secretary-General advised the Permanent Representative of Germany, on 11 October 1994, of his readiness to accept the offer of the Government of Germany, subject to the endorsement by the Executive Board. The Committee notes that, as mentioned in paragraph 19 of annex I of the report, taking into account the needs of the UNV programme, and in consultation with the Government of Germany, the working group has indicated that the most appropriate date for the move of UNV headquarters from Geneva to Bonn would be July 1996.

5. The Advisory Committee notes that the number of staff used as the basis for preparing cost estimates was equivalent to the total of approved posts for 1993, comprising 33 Professional and 70 General Service posts (paragraph 28, annex I of document DP/1995/11). Subsequently, the Committee was informed that the actual authorized staffing table for the 1994-1995 biennium comprises 39 Professionals and 71 General Service posts based on the formula authorized by the former Governing Council (decision 88/46, paras. 10-12). The Committee was also informed that should there be a decline in UNV programme activity as a result of the move to Bonn and consequently a decline in UNV staffing due to the application of the staffing formula, the special transitional subsidy from Germany would apply as early as January 1995 in order to offset such declines for a period of 4 years up to $4 million.

6. Upon request, the Advisory Committee was informed that 10 Professionals of the Humanitarian Relief Unit would remain in Geneva, as part of the UNV liaison office in Geneva. The working group had determined that there was a need to maintain a liaison presence in Geneva for the continuity of certain operations. About one third of UNV activities are now in the peace-keeping, electoral and humanitarian fields. The Humanitarian Relief Unit will work closely with Geneva-based United Nations organizations (e.g., UNHCR, WHO, the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Health Organization (WHO), the International Labour Organization (ILO), the Centre for Human Rights, etc.) and non-governmental organizations (NGOs). Furthermore, as about half of UNV assignments are funded by UNDP headquarters, the Committee was informed that UNV intended to strengthen its North America Liaison Office in New York.

7. The Committee notes from paragraphs 12 and 17 (e) of annex I that it is anticipated that a large number of General Service staff may choose not to relocate to Bonn. The working group has pointed out that this may result in dislocation of programme monitoring activities and reduced administrative and finance capacity, at least during the transitional years, as a result of the

separation of General Service staff and, consequently, the loss of institutional memory.

8. Tentative estimates of transitional costs and of recurring expenditures were calculated by the working group for three scenarios, on the basis of the percentage of General Service staff who may choose to relocate, as follows: (a) 30 per cent, (b) 50 per cent and (c) 80 per cent. As indicated in paragraphs 9(h) and 9(i), depending on the percentage of General Service staff willing to relocate, transitional costs for staff and non-staff costs were estimated by the working group to vary from about $5,187,000 to $7,457,000. Regarding recurrent and non-recurrent expenditure, it was estimated that there could be annual net savings of approximately $1,775,000 under each of the three assumptions. The Advisory Committee notes that, as indicated in annex III of document DP/1995/11, the working group used an average difference of 40 per cent between the salaries paid at Geneva and at Bonn. In this connection, the Committee notes, as indicated in the same annex, that the cost-of-living difference between Geneva and Bonn is less than 20 per cent, as computed by the International Civil Service Commission in recent studies. The budgetary implications of the proposed relocation of the UNV to Bonn are discussed in detail in paragraphs 34 to 61 of annex I to document DP/1995/11. The Committee was furnished with a tabulation of these costs (see annex of the present report).

9. It will be for the Executive Board, taking all relevant factors into account, to make a policy decision on whether to endorse the proposal of the Secretary-General to accept the offer of the Government of Germany to relocate the UNV headquarters to Bonn from mid-1996 onwards. On the basis of such decision as the Executive Board may take, the Advisory Committee will review the actual administrative budget estimates of the UNV programme for the biennium 1996-1997 in conjunction with its review of the UNDP biennial budget proposal for 1996-1997 to be submitted to the Executive Board later in 1995.

Annex

PROPOSED RELOCATION OF UNV TO BONN

I. Transitional costs

(Thousands of dollars)

	Percentage of GS staff moving		
	30%	50%	80%
PERSONNEL COSTS			
Assignment grant (Prof. & GS)	754	929	1 179
Re-assignment shipping costs (P & GS)	346	441	577
Termination indemnity (GS)	1 803	1 277	526
Ex-gratia payment (GS)	1 803	1 277	526
Reassignment travel	50	63	83
Recruitment and training of new staff	281	199	82
Subtotal	5 037	4 186	2 973
NON-STAFF COSTS			
Transfer of records to Bonn	100	100	100
Office furniture	541	541	541
Computer hardware/software	820	820	820
Office equipment	170	170	170
Advance office in Bonn	111	111	111
Contingency	678	593	472
Subtotal	2 420	2 335	2 214
TOTAL TRANSITIONAL COSTS	7 457	6 521	5 187

II. Increase/(decrease) in recurring expenditure

(Thousands of dollars)

PERSONNEL COSTS			
Post adjustment (Professional)	(414)	(414)	(414)
Education grant (P & GS)	51	51	51
Rental subsidy	130	130	130
Insurance subsidy (P & GS)	n/c	n/c	n/c
Salary, pension, dep. allow. (GS)	(1 771)	(1 771)	(1 771)
Subtotal	(2 004)	(2 004)	(2 004)
NON-STAFF COSTS			
Office rent	(525)	(525)	(525)
Utility cost	n/c	n/c	n/c
Telephone/Telex/E-Mail	25	25	25
Travel	74	74	74
Office equipment, furniture, computers	n/c	n/c	n/c
Security	275	275	275
Geneva liaison office	380	380	380
Subtotal	229	229	229
TOTAL RECURRING EXPENDITURE	(1 775)	(1 775)	(1 775)

Note: n/c indicates no change in this category of recurrent expenditure.